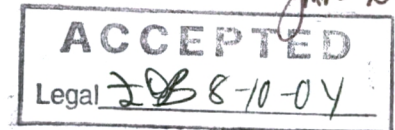




Johnny L. McDaniel
Chief Executive Officer

2004-231-C

POSTED
08-11-04



August 6, 2004



Public Service Commission of South Carolina
ATTN: Docketing Department
P.O. Drawer 11649
Columbia, SC 29211

Dear Chairman Mitchell:

Farmers Telephone Cooperative, Inc. respectfully requests the Commission's approval to increase depreciation of a portion of its EWSD Central Office Switches. This request follows the Commission's order dismissing without prejudice FTC's previous request dated April 6, 2004 which order was entered on the record of proceedings before the Commission held on July 20, 2004. FTC desires to present additional testimony in support of its request for purposes of addressing issues of concern to the Commission as understood by FTC in the absence of a written order available at this time, which issues are believed to include matters to be addressed from an engineering perspective with respect to its current switching equipment.

The purpose of requesting approval of increased depreciation of a portion of our central office switches is to facilitate the installation and implementation of "soft switch" technology for voice and data related services. Farmers foresees that in the very near future soft switches will become the dominant switch technology and render the current switching platform obsolete. It is incumbent upon the company to accelerate depreciation of those portions of the switching platform whose value will be diminished to future subscribers.

Currently, Farmers has 25 locations where these components are located. Upon approval of increased depreciation rates, Farmers will execute its plan to add this new soft switch technology.

Farmers is requesting an increased rate of 25% on a net plant investment of \$8,057,285. If approved by the Commission, the increased depreciation rate will not cause an increase in subscriber rates now or in the future.

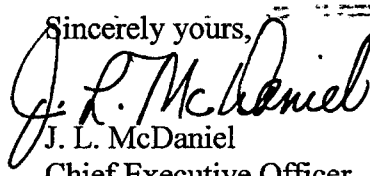
Farmers Telephone Cooperative, Inc.

1101 E. Main Street PO Box 588 Kingstree, SC 29556 843-382-1216 Fax 843-382-3200

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We trust that the Commission will approve our request for increased depreciation rates to take effect July 1, 2004. Attached to this letter are detailed schedules that support our request.

If additional information is needed, please call.

Sincerely yours,

J. L. McDaniel
Chief Executive Officer

wcs

Attachment

Useful Life Current Switching Equipment

FTC, through its engineering consultants/employees, is advised that the useful life of the current digital switching network is most probably less than the existing period of depreciation now on the books given the evolving technology and the industry wide deployment of soft switches. FTC believes four (4) years is an appropriate assessment of the useful life of its current digital switch network.